Remarks

Applicant submits this Amendment in response to an Office Action dated January 21, 2004, along with an Amendment Transmittal form. Claims 1-54 are pending in the application. Claims 1, 2, 3 and 14 have been amended. No new matter has been added.

In the Office Action, the Examiner has rejected all the claims based on various references. Specifically, the Examiner has rejected claims 1-4, 6, 7, 40, 41, 45 and 47 under 35 U.S.C. § 103(a) as being obvious over Tarbox, in view of Jones and further in view of Cooperstein and Barron's Dictionary of Insurance Terms, 3rd Ed. The Examiner contends that Tarbox discloses a method for providing a person with a secure retirement program using assets owned by the person. The Examiner then refers to col. 1, line 66 in support of the argument that Tarbox discloses the step of selecting at least one desired benefit for retirement.

The Examiner then states that the step of specifying a conversion period for allocating a desired portion of the assets to said selected benefits during the conversion period, as set forth in the claim, is taught by Barron's Dictionary of Insurance Terms. The Examiner refers to Jones, stating that it specifies a conversion period for allocating a desired portion of the assets to selected benefits during the conversion period. Furthermore, the Examiner contends that both Jones and Cooperstein disclose the step of calculating benefit payments during and after the conversion period, wherein payments from said conversion period are made from assets and purchased benefits and benefit payments after the conversion period are provided by purchased benefits. Thus, according to the Examiner, it would have been obvious to combine Tarbox in addition to Jones in addition to Cooperstein and Barron's Dictionary of Insurance to achieve a

method for the conversion of personal assets into an individual retirement benefit program.

Applicant respectfully disagrees with the Examiner and requests that the Examiner's §103 rejection be withdrawn in view of the following discussion.

As a way of background, the present invention relates to a system that allows clients to plan for all of their retirement needs in a complete manner. Typically, an individual with a certain amount of assets who desires to purchase secure benefits is faced with some critical decisions around, among other things timing, lifestyle, risk, family, situation, health situation, etc. The individual may purchase secure benefits by using the accumulated assets immediately, to be able to lock in benefits, and to be able to purchase the benefits before the occurrence of a disqualifying event. However, by doing so, the individual has to forgo any possible market gains had the assets remained invested, and the flexibility to make changes based on market conditions or personal circumstances.

The present invention overcomes this problem by providing an arrangement that allows the individual to specify a conversion period, during which a portion of the individual's asset can remain invested, while the remaining portion of the assets is used to purchase secure benefits. During this period, the system calculates benefit payments that are paid to the individual from two separate sources: the assets that are being converted; and the benefits that have been already purchased. Once the entire asset has been converted to secure benefits, the system pays the individual from the amounts provided by the purchased benefits.

Thus, the system provides an arrangement, wherein the individual has many more flexible options than those systems provided in the prior art. The individual can choose an

17

investment portfolio and individual investment funds for the assets in the market. The individual

has a choice of many types of secure benefits for retirement. The individual can allocate assets

towards the purchase of those benefits. The individual can specify a conversion period, during

which the portion of the assets can benefit from a market return on investment, and the

remaining portion of the assets can be used towards purchasing the secure benefits. The

individual can start receiving secure benefits during this conversion period, and continue to

receive the secure benefits after the conversion period. The individual can make changes to

these choices. All of this is supported with an online, integrated computerized system. During

the conversion period, the payments made to the individual are derived from both the invested

assets and the purchased secure benefits. After the conversion period, the payments made to the

individual are derived only from the purchased secure benefits.

None of the references cited by the Examiner, teach or suggest the present invention

either alone or in combination. For example, as the Examiner correctly states, Tarbox does not

teach or suggest an arrangement wherein the system calculates benefit payments corresponding

to selected benefits during and after a conversion period.

Furthermore, reference to Jones and Cooperstein is inapposite as well. Jones discloses a

financial advisory system, wherein return scenarios for optimized portfolio allocations are

simulated interactively to facilitate financial product selection. *See Jones* Abstract , lines 1-4.

There is no teaching or suggestion in Jones for a system that provides a conversion period

specifiable by a user, during which certain identified assets are used to purchase desired secure

benefits. Furthermore, there is no teaching or suggestion in Jones, wherein a user receives

payments during the conversion period, from proceeds provided by the user's identified assets and the already purchased secure benefits, and wherein the user receives payments after the conversion period only from the proceeds provided by the secure benefits.

Similarly, Cooperstein does not teach or suggest the present invention as claimed. Cooperstein discloses a programmed processor, which is electrically interconnected to the terminal and data storage and processes the data received at the terminal and the data stored in the data storage to physically transform the an annuity contract purchase value data into an annuity contract living contingent and supporting component funding and related data representing tangible deferred and immediate annuity contract values at one or more selected dates during the life period. The processor also determines eligibility for withdrawal, withdrawal values, and transacts the payment of a withdrawal value. However, there is no teaching or suggestion in Cooperstein for a system that allows the user to specify a conversion period during which the assets identified by the user are used to purchase secure benefits. Furthermore, there is no teaching or suggestion in Cooperstein for a system that provides payments to the user during this conversion period and after the conversion period, wherein the payments during the conversion period are provided by both the identified assets and the partially purchased secure benefits and the payments after the conversion period are provided by the purchased secure benefits.

The conversion period as defined and claimed in the present invention is in not the same as the term "conversion" defined in the Barron's Dictionary of insurance terms. For example the Dictionary defines conversion as

> In group life and health insurance, a provision that allows a
> certificate holder to convert group coverage to an individual policy
> under specified conditions.

The Dictionary also defines conversion factor for employee contributions as

> Inverse of the actuarial present value of a life annuity, taking the
> employee's life expectancy into account, to commence income
> payments at the NORMAL RETIRMENT AGE of the employee.
> It is used in a DEFINED BENEFIT PLAN to determine the
> amount of accrued benefits that result from the employee's
> contributions.

These definitions of conversion do not teach or suggest the concept of the conversion period as claimed in the present invention. For example, these definitions do not relate to specifying a period during which secure benefits are purchased from identified assets, and benefit payments are made from both the identified assets and the purchased secure benefits during the same time. The definition also does not relate to payments made from the secure benefits after the conversion period.

Applicant requests that the Examiner withdraw the obviousness rejection of claim 1 for the reasons stated above. Furthermore, Applicant respectfully requests that the Examiner withdraw the rejections of the remaining claims depending from claim 1.

In the Office Action, the Examiner has also rejected claim 14 under 35 U.S.C. §102(b) as being anticipated by Tyler. According to the Examiner, Tyler anticipates a method for providing a client with a secure benefit account, with the steps of identifying the assets of the client, for purchasing a plurality of benefits, and performing actuarial valuation to determine the value of each of the benefits and allocating identified assets towards the purchase of the benefits.

20

Claim 14 as amended relates to a system that allows the user to employ identified assets towards purchase of a plurality of benefits that define a benefit account. The system determines the value of each of the benefits, and allocates the assets to purchase the benefits based on the actuarial valuation in order to form a benefit account. The purchase of the benefits is accomplished during a conversion period.

The system then calculates benefit payments from said benefit account to the user both during this conversion period and after the conversion period. During the conversion period the benefits are paid to the user from both the funds in the identified assets and the secure benefits purchased. After the conversion period the benefits are paid only from the purchased benefits.

Tyler relates to a computer implemented graphical user interface for receiving instructions and information relating to insurance products, and for displaying corresponding insurance proposals. The user interface in Tyler allows the user to specify an insurance product and based on the information of the client determines the benefits for each desired insurance products.

However, Tyler does not teach or suggest the present invention as claimed. For example, there is no teaching in Tyler to allocate a group of identified assets towards the purchase of a selected set of benefits that a client desires in a benefit account. Tyler allows the user to look at each insurance product on its own. In sharp contrast to Tyler, the present invention, allows the user to begin with a desired benefit account containing various benefits, and allocate the user's assets towards completing the purchase of each identified benefit component in the benefit account.

21

Furthermore, Tyler does not teach or suggest an arrangement wherein a conversion period is set, during which the identified assets are used to gradually purchase the various selected benefits. Nor does Tyler teach or suggest the arrangement wherein during this conversion period, the system allows the user to receive benefits from both the identified assets and the purchased benefits, and the user to receive benefits from the purchased benefits after the conversion period has ended.

As such Applicant respectfully requests that the Examiner's rejection be withdrawn. Furthermore, Applicant requests that the Examiner's rejection of all claims depending from claim 14 be withdrawn for the same reasons explained above.

Turning now to the Examiner's rejection of claim 30, in the Office Action, the Examiner has stated that this claim is obvious over Tarbox in view of Tyler, and further in view of the Barron's Dictionary of Insurance Terms, 3rd Edition. Applicant respectfully disagrees with the Examiner and requests that the rejection be withdrawn.

Claim 30 relates to a secure retirement system for providing a person with a secure retirement program using assets owned by said person. The system includes an interactive component for enabling the person to respond to a plurality of decision queries, wherein at least one of the decision queries allows the person to select at least one benefit for retirement from a plurality of different types of benefits available. The system also includes a conversion component for allocating assets associated with the person towards the purchase of the selected benefit for retirement at selected intervals during a conversion period. Furthermore, the system includes a payment process component for providing benefit payments corresponding to selected

22

benefits for retirement during and after the conversion period. Benefit payments during the conversion period are made from the assets and the purchased benefits, and the benefit payments after the conversion period are provided by the purchased benefits.

As discussed above, Tarbox does not teach or suggest an arrangement wherein the system calculates benefit payments corresponding to selected benefit payments during and after a conversion period.

Furthermore, as also discussed above, Tyler relates to a computer implemented graphical user interface for receiving instructions and information relating to insurance products, and for displaying corresponding insurance proposals. The user interface in Tyler allows the user to specify an insurance product and based on the information of the client determines the benefits for each desired insurance products.

However, Tyler does not teach or suggest the present invention as claimed. For example, there is no teaching in Tyler to allocate a group of identified assets towards the purchase of a selected set of benefits that a client desires in a benefit account. Tyler allows the user to look at each insurance product on its own. In sharp contrast to Tyler, the present invention, allows the user to begin with a desired benefit account containing various benefits, and allocate the user's assets towards completing the purchase of each identified benefit component in the benefit account.

Furthermore, Tyler does not teach or suggest an arrangement wherein a conversion period is set, during which the identified assets are used to gradually purchase the various selected benefits. Nor does Tyler teach or suggest the arrangement wherein during this

23

conversion period, the system allows the user to receive benefits from both the identified assets

and the purchased benefits, and the user to receive benefits from the purchased benefits after the

conversion period has ended.

Applicant respectfully requests that the Examiner withdraw the obviousness rejection of

claim 30 and all claims dependent therefrom.

Conclusion

In view of the aforementioned amendment and remarks, it is respectfully submitted that

all claims currently pending in the above identified application are now in condition for

allowance, the earliest possible notice of which is earnestly solicited. If in the Examiner's

opinion the prosecution of the present application would be advanced by a telephone interview,

he is invited to contact the undersigned at the telephone number listed below.

Respectfully submitted,

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24